



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: November 24, 2014

Approved

Date

12/4/14

**SUBJECT: PUBLIC AGENCY COOPERATIVE PURCHASE OF MOTOROLA
DUAL-BAND RADIOS**

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

1. Execute a purchase order for dual-band radios, related equipment and technical support and repair services from Motorola Solutions, Inc. under the pricing, terms and conditions obtained through the cooperative agreement dated September 25, 2012, between the County of Santa Clara and Motorola Solutions, Inc. for goods and related services for use on the Silicon Valley Regional Communications System, for a not to exceed amount of \$2,367,100 including sales tax and freight; and
2. Execute additional purchase orders for subsequent purchases pursuant to the Agreement between the County of Santa Clara and Motorola Solutions, Inc., dated September 25, 2012, subject to annual appropriations of funds.

OUTCOME

Approval of this action would expand the existing regional communication system which will be used by the City's first responders for interoperable communications with other regional, state and national first responders in the event of an emergency. The new radios will allow the City's first responders to have the best possible communications available to support their life safety functions.

BACKGROUND

The Silicon Valley Regional Interoperability Project (SVRIP) was established in 1998 to support inter-agency and communications systems coordination. The mission of SVRIA is to identify, coordinate and implement communications interoperability solutions to its member agencies by

integrating voice and data communications between law enforcement, the fire and rescue service, emergency medical services and emergency management for routine operations, critical incidents and disaster response and recovery. The SVRIA represents the interests of all public safety agencies and is composed of Santa Clara County and 14 cities (all except Los Altos Hills): the cities of Campbell, Cupertino, Gilroy, Los Altos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, Saratoga, Sunnyvale, and the town of Los Gatos. Additional partners include the South Santa Clara County Fire District, San José State University and the Santa Clara Valley Water District.

In 2001, the SVRIA formalized their relationship through establishment of a 19 agency Joint Funding Agreement to support development of regional radio and data interoperable communications networks.

On March 30, 2010¹, the City Council approved participation in the SVRIA Joint Powers Agreement (SVRIA/JPA). As a signatory to the SVRIA/JPA, the City agreed to participate in the development and maintenance of regional networks, and to join in efforts to prioritize and seek funding for new regional projects.

Since the events of 9/11, there have been significant efforts by the Department of Homeland Security, Federal, State and local agencies alike to develop and deploy interoperable voice and data communications systems that support public safety responders. Major federal grant programs and significant developments in wireless broadband systems have created a large and rapidly evolving world of cutting-edge technologies, complex governance structures, dynamic funding streams and multi-jurisdictional programs. The City of San José is actively engaged in the majority of these efforts to ensure that our first responders have what they need to protect the lives, property and environment of the residents of San José.

On August 19, 2014², the City Council adopted a resolution authorizing the City Manager to negotiate and execute all documents necessary to accept and administer the Federal Emergency Management Agency's (FEMA) 2013 Assistance to Firefighters Grant (AFG) Program. The City of San José is the lead agency responsible for receiving and administering the 2013 FEMA Grant, in partnership with the cities of Gilroy and Mountain View, and the County of Santa Clara ("Partnering Agency"). As the lead agency for administering the 2013 FEMA Grant, the City is currently in various stages of completing letter agreements with each Partnering Agency to specify the City's responsibility for receiving and administering the grant, including collecting from each Partnering Agency the 15% pro rata share of costs not covered by the grant.

ANALYSIS

In 2012, the City participated in developing the project specifications for the Request for Proposal conducted by the Santa Clara County for the benefit of the participating agencies

¹ Link to 2010 Council Memo: http://www3.sanjoseca.gov/clerk/Agenda/20100330/20100330_0302.pdf

² Link to 2014 Council Memo: <http://sanjoseca.gov/DocumentCenter/View/33765>

including San José, for the Silicon Valley Regional Communications System. The City participated in the evaluation process that resulted in the selection of Motorola. The County of Santa Clara's procurement process substantially complies with the City's procurement procedures.

Since the award to Motorola in 2012, the City has purchased approximately \$2,500,000 from Motorola for communications infrastructure and field equipment for the Police and Fire Departments' emergency communications. For the reasons set forth above, the purchase of these radios is exempt from the competitive procurement process pursuant to Section 4.12.225 (B.3) of the San José Municipal Code entitled "Public Agencies Purchases" which authorizes the City to contract for these equipment directly with vendors on terms obtained pursuant to the competitive procurement process which substantially complies with the City's procurement procedures and names the City of San José either specifically or categorically as a third party beneficiary of the competitive solicitation process.

The City receives significant cost saving by leveraging the purchasing power offered under the Agreement with Motorola Solutions, Inc. The City will receive 43.48% discount off the published list price under the Motorola Agreement, or a cost savings of approximately \$832,000. The public list price is scheduled to increase by 5% in January 2015. By comparison, the regular government discount is only 20% off the publish list price.

If approved, the San José Fire Department will be able to replace 270 APX7000XE Digital Portable Radios and 103 APX7500 Dual Band High Power Radios, which are now obsolete. In addition, the City would purchase newer technology radios on behalf of Mountain View, Gilroy and Santa Clara County. The radios to be purchased will enable interoperable communications with other regional and state first responders, and will be compatible with the SVRIA regional communication system.

EVALUATION AND FOLLOW-UP

This memorandum will not require any further follow-up from staff.

POLICY ALTERNATIVES

Alternative #1: The City conducts its own competitive Request for Bid (RFB) solicitation

Pros: The City would have more control over the content of the RFB solicitation.

Cons: The Santa Clara County's competitive process is very similar to that of the City's. In addition the consolidated volumes of Santa Clara County and SVRIA/JPA member cities, as well as other participating agencies (such as South Santa Clara County Fire District, San José State University and the Santa Clara Valley Water District) ensures greater price leveraging, thereby resulting in lower pricing.

Reason for not recommending: The existing emergency communication system consists of Motorola proprietary equipment and Motorola does not utilize resellers for major product purchases. It is unlikely the City can obtain better pricing or terms than those obtained through the Santa Clara County SVRIA/JPA.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the December 16, 2014, City Council agenda.

COORDINATION

This memorandum was coordinated with the Fire Department, Public Works Department, the City Manager's Budget Office and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles and the Strategic Initiative "Make San José a Tech-Savvy City; lead the way in using technology to improve daily life."

COST SUMMARY/IMPLICATIONS

The 2013 FEMA Grant would fund the purchase of the dual-band radios, related equipment and technical support and repair services from Motorola Solutions, Inc. in the amount of \$2,011,856. The remaining \$355,037 would be from each Partnering Agency's pro rata share of the cost.

The following outlines the elements of the contract:

1. AMOUNT OF RECOMMENDATION/CONTRACT:

Description	Amount
City of San José	\$2,003,988
City of Mountain View	290,391
Santa Clara County	21,513
City of Gilroy	<u>51,000</u>
Total Purchase Costs (all partnering agencies)	\$2,366,892

2. COST ELEMENTS OF AGREEMENT/CONTRACT: (rounded to whole dollars)

<u>Description</u>	<u>City of San José</u>	<u>City of Mountain View</u>	<u>County of Santa Clara</u>	<u>City of Gilroy</u>	<u>Total</u>
Portable Radios*	\$1,365,363	\$203,733	\$19,759	\$46,873	\$1,635,728
Mobile Radios*	474,368	63,247	0	0	537,615
Subtotal	<u>\$1,839,731</u>	<u>\$266,980</u>	<u>\$19,759</u>	<u>\$46,873</u>	<u>\$2,173,343</u>
Tax (8.75%)	\$160,977	\$23,361	\$1,729	\$4,102	\$190,169
Freight	<u>3,280</u>	<u>50</u>	<u>25</u>	<u>25</u>	<u>3,380</u>
Total PO Amount	<u>\$2,003,988</u>	<u>\$290,391</u>	<u>\$21,513</u>	<u>\$51,000</u>	<u>\$2,366,892</u>
Agency Share	\$300,599	\$43,559	\$3,227	\$7,652	\$355,037
AFG Grant	\$1,703,389	\$246,832	\$18,286	\$43,349	\$2,011,856

* Radio purchase amounts include accessories and technical support & repair services

3. SOURCE OF FUNDING: Construction Tax and Property Conveyance Tax Fund (392)

4. FISCAL IMPACT: Future purchases if required shall be subject to appropriation of funds.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2014-2015 Adopted Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
392	7763	2013 AFG Regional Radios Grant Project	\$2,367,100	\$2,366,892	N/A	08/19/2014 Ord. # 29451

CEQA

Not a Project, File No. PP10-066(a), Agreements and Contracts.

/s/

JULIA H. COOPER

Director of Finance

For questions, please contact Mark Giovannetti, Deputy Director of Finance, at (408) 535-7052.